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**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

1595 Wynkoop Street
DENVER, CO 80202-1129
Phone 800-227-8917
<http://www.epa.gov/region08>

Ref: EPR-ER

Governor Brian Schweitzer
State Capitol PO Box 200801
Helena, Montana 59620-0801

Re: Libby Asbestos Site Funding

Dear Governor Sweitzer,

Thank you very much for your letter of January 2, 2008, concerning the funding levels provided in the 2008 fiscal year for the Libby Asbestos Site in Libby, Lincoln County, Montana. As you note, the situation in Libby is quite serious, and properly funding the Site remains one of the Agency's top Superfund priorities. Please know, because the Agency has just received its budget for 2008 on December 26, 2007, we have not yet set out our final spending plan for this fiscal year. Nonetheless, because Libby is one of our top priorities we have already set a minimum spending plan for Libby. For FY-2008 Libby will receive at least \$17,000,000 in remedial cleanup dollars (this is consistent with the last five years of funding for the Site). EPA will fund the entirety of the Flower Creek cleanup out of the Regional Removal Budget (final project estimates are not yet finished). In addition, Region 8 has committed \$6,250,000 of its Regional pipeline budget to continue the on-going exposure assessments. Thus, the funding made available for Libby will be much greater than that provided in FY 2006, and only slightly less than that provided in FY-2007.

With this level of funding EPA will continue the cleanup of residential and commercial properties in Libby; start the cleanup of the properties in Troy with the worst exposure; and complete the cleanup of Flower Creek. The pipeline funding will allow for the on-going exposure evaluations to continue, including the full funding of the screening of properties in Troy that was initiated by the State of Montana (via a cooperative agreement with EPA) last year.

As the Agency finalizes its budget plans for this fiscal year we will apply additional funds to Libby if they become available. Again, thank you for your letter. If you have any further questions, please contact me, or your staff may call ----- in EPA's Office of Congressional and Intergovernmental Relations at -----.

Sincerely,

Stephen Johnson, Administrator

